

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 9, 1996

SUBJECT: **SB 2986 - HB 2892**

This bill, if enacted, will add two Premium Tables, 8 and 9, to the Unemployment Compensation Act for nongovernmental employers. Premium Table 8 will be in effect when the trust fund balance is between \$600 million and \$650 million. Premium Table 9 will be in effect when the trust fund balance is \$650 million or more. The current balance in the Unemployment Compensation Trust Fund is in excess of \$800 million. Premium table 8 will reduce all rates on premium table 7 by .05% and premium table 9 will reduce all rates on premium table 8 by .05%. The lowest rate on premium table 8 is .05% and the lowest rate on premium table 9 is 0% compared to the lowest rate in the current Act which is .10%. The highest rate on premium table 8 is 2.50%, the highest rate on premium table 9 is 2.45% which can be compared with the highest rate on premium table 7 in the current Act of 2.55%. Tables 8 and 9 as proposed in the bill do not change rates for employers with negative reserve balances.

The fiscal impact from enactment of this bill is estimated to result in a decrease in revenues to the Unemployment Compensation Trust fund of \$17.2 million in CY 1997, by lowering the premium rates paid by employers.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director